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Forests for people, livelihoods and poverty eradication

Letter dated 3 November 2010 from the Permanent Representatives of Switzerland, Indonesia, South Africa and Mexico to the United Nations addressed to the Secretary-General

The Permanent Missions of Switzerland, Indonesia, South Africa and Mexico to the United Nations have the honour to transmit the enclosed report on a series of workshops co-organized by the Governments of Switzerland, Indonesia, South Africa and Mexico, the "Forest governance and decentralization workshop series".

In the light of the importance of the report and its relevance to the work of the United Nations, particularly in the environmental field, we would appreciate if the present letter and the report (see annex) were issued as a document of the ninth session of the United Nations Forum on Forests. The four countries would further be prepared to present their individual experiences with forest governance under one of the agenda items of that session.

(*Signed*) Paul **Seger**
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Annex

Forest governance and decentralization: report on a series of workshops co-organized by the Governments of Switzerland, Indonesia, South Africa and Mexico

Summary

Since 2004 a series of international workshops has been organized biannually as a country-led initiative in support of the United Nations Forum on Forests, bringing together countries undergoing decentralization and governance reform, from around the globe and within regions, in a spirit of mutual exchange and learning. The workshops in the series brought together a mix of participants from Government, civil society, research institutions, community organizations and the business sector. All were organized around key aspects of decentralization and governance theory and practice in the context of the forest sector, and considered cross-cutting issues of livelihoods, equity and sustainable development more generally. All were designed to draw lessons and recommendations for action by the United Nations Forum on Forests and other key institutional actors and decision makers.

The experiences of countries showed that decentralization is a non-linear process requiring continuous learning and dynamic experimentation. Effective decentralization requires: building consensus through an open, transparent and inclusive process; participatory decision-making; institutional, technical and human capacity-building; provision of adequate financial resources and incentives for investment; tailoring objectives to local contexts; and developing the flexibility to adapt to different situations and changing circumstances. Livelihood outcomes and impacts of decentralization and governance reform vary in different locations, and evidence of the link between governance reforms and forest sustainability is highly variable, both within and among countries that have enacted reforms.

Achieving positive livelihood, conservation and broader development outcomes from decentralization of forest management is linked to: security of tenure and equitable access to forest resources; clear and appropriately balanced distribution of fiscal, revenue and taxation powers, as well as control over decision-making, commercial rights and market access; sensitivity to cultural traditions and local knowledge; and appropriate recognition of the ancestral rights of local communities.

Recurrent issues and lessons from the workshop series included the following:

- Capacity-building at different levels is a critical element of successful decentralization and governance reform. It entails empowerment at different scales through a wide variety of means, including civic education and access to information, strengthening mechanisms for collective communication and negotiation and reinforcing organizational structures for forest resource management. New capacities and alliances among the disempowered are critical for decentralization to deliver real changes and create genuine spaces for participation and to accommodate voices from below;

- Decentralization so far has generally meant devolving the costs and burdens of forest protection and management to local governments, communities and households, with little authority and uncertain benefits. There is also a tendency

to undervalue and undercompensate the investments and contributions of communities and local peoples in forest management while giving preferential treatment to investments by external actors and corporations;

- The provision of clear and secure tenure and rights to forest resources is important but insufficient for improving livelihoods. Even when rights are clear, lack of capacity, skills, funds, technology, market access and other requisite inputs can prevent rights holders from exercising their rights;

- Existing class, caste, ethnic and gender hierarchies favour elite capture of benefits and decision-making power, impeding democratic decentralization and forest governance reforms. Strengthening the capacities of local people, especially the poor and marginalized, to organize, develop and implement rules and sanction offenders can facilitate their empowerment and enhance their share of benefits;

- Genuine participatory approaches can provide the needed balance of power between citizens and Governments at various levels, fostering downward accountability and reducing corruption and elite capture. Participation of the citizenry, including local communities and indigenous peoples, in decentralized governance is especially needed in dealing with issues such as conservation and climate change, which require broad-based citizen action.

Among the recommendations from the workshop series to the United Nations Forum on Forests, 12 were particularly relevant to forest-based livelihoods. These included the following:

- Promote the sustainable management of forests and enhanced benefits derived from them and the judicious use of market tools such as transfer payments and voluntary partnership agreements;

- Eliminate barriers and improve the access of local communities to markets, as well as to the revenue generated by the sustainable management of forests, including through better distribution of fiscal resources;

- Enhance the transparency of governmental policies and actions directed towards forest law enforcement and pursue holistic anti-corruption efforts at all levels;

- Support strengthening the inclusion of local people, including indigenous peoples and women, in decision-making, benefit-sharing and preservation of their cultural and social values through sustainable forest management and in schemes, such as REDD+ (reducing emissions from deforestation and forest degradation), where sustainable forest management is a robust and credible approach in maintaining and enhancing the economic, social and environmental values of forests for the benefit of present and future generations.

I. Background

1. Over the past two and a half decades, many countries around the world have embarked on forest decentralization and governance reform programmes in response to a variety of internal and external pressures. Typically, these programmes were meant to contribute to the achievement of a range of conservation and development objectives, including improved management and sustainable development of all types of forests, greater equity in distribution of benefits from resources, poverty reduction and enhanced democracy. Since 2004 a series of four international workshops has been organized biannually as a country-led initiative to bring together countries undergoing decentralization and governance reform, from around the globe and within regions, in a spirit of mutual exchange and learning in support of the United Nations Forum on Forests and other regional and national forest governance initiatives. Outputs from the workshop series thus far include three reports to the United Nations[1] and three published volumes[2] containing selected papers from the first three workshops.

2. All workshops in the series brought together a mix of participants from Government, civil society, research institutions, community organizations and the business sector. All were organized around key aspects of decentralization and governance theory and practice in the context of the forest sector and considered cross-cutting issues of livelihoods, equity and sustainable development more generally. All employed a mix of presentations, panel discussions, working group sessions and field trips. All were designed to facilitate the sharing of insights from the diversity of experiences of countries in order to draw lessons and recommendations for action by the United Nations Forum on Forests and other key institutional actors and decision makers.

3. The Governments of Switzerland and Indonesia jointly organized the first workshop in the series, on the theme "Decentralization, federal systems of forestry and national forest programmes", in Interlaken, Switzerland, in April 2004. The workshop was co-sponsored by several other Governments and organizations which provided technical, financial and/or logistical support.[3]

4. Attended by 160 people from 51 countries representing 70 per cent of global forest area, the Interlaken workshop provided a global overview of ongoing and

[1] E/CN.18/2005/10; E/CN.18/2009/16, annex; and E/CN.18/2011/15, annex.

[2] Carol J. Pierce Colfer and Doris Capistrano, eds., *The Politics of Decentralization: Forests, Power and People* (London, Earthscan Publications, 2005); Carol J. Pierce Colfer, Ganga Ram Dahal and Doris Capistrano, eds., *Lessons from Forest Decentralization: Money, Justice and the Quest for Good Governance in Asia-Pacific* (London, Earthscan Publications, 2008); and Laura A. German, Alain Karsenty and Anne-Marie Tiani, eds., *Governing Africa's Forests in a Globalized World* (London, Earthscan Publications, 2009).

[3] The workshop was co-organized by the Centre for International Forestry Research and co-sponsored by the Governments of Brazil, Canada, Ghana, Japan, the Russian Federation, Uganda, the United Kingdom of Great Britain and Northern Ireland and the United States of America. Technical, financial and/or logistical support was provided by the secretariats of the United Nations Forum on Forests and the Convention on Biological Diversity, the National Forest Programme Facility of the Food and Agriculture Organization of the United Nations, the World Bank's Programme on Forests, the International Tropical Timber Organization, the World Wide Fund for Nature, the World Resources Institute, the Swiss Agency for the Environment, Forests and Landscape, the Swiss Agency for Development and Cooperation, and Intercooperation (Switzerland).

planned decentralization processes in forest management. Workshop discussions focused on conceptual and operational aspects of decentralization, namely: (a) allocation of roles and responsibilities and coordination at different levels and across sectors; (b) policy, regulatory frameworks and equitable benefit-sharing; (c) participation, conflict and multi-stakeholder processes; (d) financial incentives, promoting investment and private sector partnership; (e) capacity-building, technical skills and information; and (f) maintaining ecosystem functions, sustaining forest productivity and appropriate application of knowledge and technology.

5. In September 2006, the Government of Indonesia hosted the second workshop in the series, on the theme "Forest governance and decentralization in Asia and the Pacific", in Yogyakarta, Indonesia. The first of three regional workshops following Interlaken, the Yogyakarta workshop also built on an earlier regional workshop on decentralization and devolution of forest management in Asia and the Pacific that had been held in Davao, the Philippines, in 1998 under the auspices of the Food and Agriculture Organization of the United Nations (FAO). The Yogyakarta workshop was organized as an activity of the Asia Forest Partnership and co-sponsored by the Governments of Japan, the Philippines and Switzerland, with assistance from several other organizations.[4] Attended by over 120 participants from within and beyond the Asia-Pacific region, the workshop continued the discussion on a range of issues identified at Interlaken. There was greater emphasis, however, on the requisites for economically and technically viable decentralization and sharper focus on core issues of the Asia Forest Partnership, particularly on: (a) corruption and illegality; (b) tenure, rights and equity; and (c) forest fires, land use and rehabilitation.

6. The third workshop in the series, on the theme "Forest governance and decentralization in Africa", was held in Durban, South Africa, in April 2008. The workshop was co-organized by the Governments of South Africa and Switzerland and co-sponsored and supported by several other Governments and organizations.[5] The Durban workshop sought to develop a common understanding of concepts and practices of decentralization in the context of African forest governance and to identify opportunities for coordinated policy responses, capacity-building and implementation of best practices and approaches to decentralization and sustainable forest management at different levels. Discussions and recommendations were organized around three major themes: (a) decentralized forest management and livelihoods; (b) decentralization, conservation and sustainable forest management; and (c) international trade, finance and investment in forest governance reform. The workshop was attended by 187 participants from 45 countries, including 34 countries in Africa.

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[4] Supporting organizations included the Centre for International Forestry Research, the International Tropical Timber Organization, the Food and Agriculture Organization of the United Nations, the Regional Community Forestry Training Centre, Deutsche Gesellschaft für Technische Zusammerarbeit, the Department for International Development of the United Kingdom, the Swiss Federal Office for the Environment, the Swiss Agency for Development and Cooperation, and Intercooperation.

[5] The Durban workshop was sponsored by the Governments of South Africa and Switzerland (Swiss Federal Office for the Environment), the Swiss Agency for Development and Cooperation, Finland, Germany, Indonesia, Norway, the United Kingdom and the United States, as well as the South African Forestry Company Limited, Sappi, Mondi and the eThekwini Metropolitan Council. The Centre for International Forestry Research and Intercooperation provided technical and logistical support.

7. The fourth and latest workshop in the series, on the theme "Forest governance, decentralization and REDD+ in Latin America and the Caribbean", was held in Oaxaca, Mexico, from 31 August to 3 September 2010. The workshop was organized by the Governments of Mexico and Switzerland, with sponsorship and assistance from other Governments and organizations.[6] The workshop examined decentralization and governance in the context of global efforts to reduce emissions from deforestation and forest degradation, identified lessons and considered possible opportunities, synergies, trade-offs and threats. Plenary presentations, round tables and open space discussions focused on: (a) rights and tenure for forests, people and carbon; (b) opportunities for poverty alleviation and sustainable forest management in indigenous territories; and (c) community forest management and REDD+. Field trips highlighted environmental service payment schemes, community forestry and sustainable forest management as they relate to REDD+. The workshop was attended by 230 participants from 34 countries, including 22 countries in Latin America and the Caribbean.

II. Key issues and findings from the workshops

Interlaken workshop

8. The Interlaken workshop revealed the diverse forms and pathways to decentralization taken by different countries, their varied motivations and uneven pace and progress. Typically, there is a significant gap between the policy and practice of decentralized governance, and inconsistencies, often inequities as well, in the allocation of roles, responsibilities and rewards for forest management. Analysing federal systems, where natural resources are typically managed in a decentralized manner, the workshop concluded that in both federal and unitary systems at least three framework elements are required for effective decentralized forest governance: (a) appropriate sharing of authority to make decisions and raise revenues, and sharing of responsibilities among Government levels according to their abilities and needs; (b) effective enforcement and accountability at all levels of Government to ensure that Government agencies carry out their mandates fairly, efficiently and effectively; and (c) effective linkages with other sectors that affect or are affected by the forest sector.[7]

9. The experiences of countries showed decentralization to be a non-linear, at times cyclical, process requiring continuous learning and dynamic experimentation. Effective decentralization requires: (a) building consensus through an open, transparent and inclusive process; (b) participatory decision-making;

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[6] The Oaxaca Workshop was organized by the Comisión Nacional Forestal of Mexico and the Swiss Federal Office for the Environment, and co-organized by the Centre for International Forestry Research, Intercooperation (Switzerland), the secretariat of the United Nations Forum on Forests, the Inter-American Development Bank Group and the United States Agency for International Development. Other sponsors included the Swiss Agency for Development and Cooperation, the Department for International Development of the United Kingdom, the Ministry of Agriculture of Sweden, the Norwegian Ministry of the Environment, the Ministry for Foreign Affairs of Finland, the Japan International Cooperation Agency, the International Tropical Timber Organization, the Ford Foundation and the Food and Agriculture Organization of the United Nations.

[7] Carol J. Pierce Colfer and Doris Capistrano, "Decentralization: issues, lessons and reflections" in *The Politics of Decentralization: Forests, Power and People* (see footnote 2).

(c) institutional, technical and human capacity-building; (d) provision of adequate financial resources and incentives for investment; and (e) tailoring objectives to local contexts and developing the flexibility to adapt to different situations and changing circumstances. For decentralized forest management to be sustainable, it must deliver significant, net positive benefits to local communities and households, not simply transfer the burden of forest management. High priority needs to be accorded to the empowerment and capacity-building of local communities to effectively manage their natural resources.

10. Successful decentralization requires the following: formulation of clear enabling legal and policy frameworks and timely and wide distribution of this information; integration of the decentralization process into national forest programmes; achievable objectives; clear allocation of roles, responsibilities, resources and accountability; and mechanisms for conflict resolution. Analysis of livelihood, conservation and broader development outcomes from decentralization showed success to be linked to the following: security of tenure and equitable access to forest resources; clear and appropriately balanced distribution of fiscal, revenue and taxation powers, as well as control over decision-making, commercial rights and market access; and sensitivity to cultural traditions and local knowledge and appropriate recognition of the ancestral rights of local communities.

Yogyakarta workshop

11. Based on analysis of the experiences of countries in the Asia and Pacific region, the Yogyakarta workshop reinforced the conclusions from Interlaken. Long-standing problems with participation, equity, tenure, rights, livelihoods and capacities in the process of decentralization were highlighted. Often, implementation guidelines and mechanisms are absent or unclear, and resistance or sabotage by powerful stakeholders that stand to lose from decentralization and governance reform can derail the implementation of even the best-intentioned policies. The viability of decentralized forest governance over sufficient time frames requires fundamental changes in the rules of the game, especially with regard to how rights, roles, responsibilities and rewards are allocated and by whom.

12. The Yogyakarta workshop also identified other areas of concern, including: (a) the challenges of undertaking large-scale conservation; (b) ensuring long-term financing for decentralization and governance reform; (c) providing adequate incentives for decentralized forest management, especially where forest quality is poor and markets are underdeveloped; and (d) addressing corruption and illegal activities under decentralized forest governance regimes. Getting the pace and sequencing of decentralization reforms right is also a major challenge. The experience of Indonesia has shown, for example, that rapid decentralization without adequate institutional capacities in place can encourage opportunistic behaviour and lead to higher rates of deforestation.

13. Case studies showed that disagreements over who had rights over forests and forest resources lay at the root of conflicts and destructive forest practices. Rights have to be clear and secure and need to be protected from competing external and local interests, including the State and its agencies. Even when rights are clear, lack of capacity can prevent rights holders from claiming or exercising their rights.

14. Clarity on which level or agency of Government is responsible for regulation, enforcement and conflict resolution is equally important. Confusion and

inconsistencies in policies, laws and regulations that tend to accompany especially the initial stages of decentralization and governance reforms can create or exacerbate grey areas in which corruption and illegality can flourish. In some cases, however, effective collective action and decentralized forest governance have resulted in more effective regulation and forest law enforcement.

15. Local people can be ensnared in webs of illegality, especially when laws and regulations are inconsistent or subject to conflicting interpretations. Unrealistic prohibitions, without the provision of alternatives, and overly burdensome bureaucratic requirements, coupled with high transaction costs of compliance, can adversely affect livelihoods by making it difficult for small-scale forest users to comply with legal requirements.[8] The chronically poor, women and marginalized groups are often the most adversely affected.

Durban workshop

16. In Africa, governance reform and decentralization processes have taken various forms and face many of the same issues as in other regions. Identified issues include increasing conflict, cronyism, corruption, lack of accountability and transparency, social inequities and elite capture. Although the reforms have also created real opportunities, there remains the challenge of putting democratic decentralization into practice for more sustainable forest management and equitable distribution of benefits. Women have been particularly disadvantaged in benefit-sharing, and their concerns, needs and interests tend to be ignored, particularly in formal governance settings.

17. Livelihood outcomes and impacts vary in different locations, and evidence of the link between governance reforms and forest sustainability is highly variable, both within and among countries that have enacted reforms. In many countries, community-based forest management is spreading rapidly and represents an important strategy in supporting livelihoods where economic opportunities are severely limited.

18. Large-scale conservation and management of protected areas based on command-and-control approaches prevalent in the region run counter to and pose a major challenge for decentralized governance. These externally imposed conservation models render invisible the role, legitimacy and innovative potential of local actors, including numerous cases of local resource management and de facto decentralization.[9] They also have not satisfactorily addressed issues of indigenous rights. Although customary or community-based tenure remains the dominant tenure

[8] Yati Bun and Amele Imalal, "Governance and community-based forestry in Papua New Guinea", paper presented at the Yogyakarta workshop; Luca Tacconi, Marco Boscolo and Duncan Brack, "National and international policies to control illegal forest activities" (Bogor Barat, Indonesia, Centre for International Forestry Research 2003); Krystof Obidzinski and others, "Illegal forest activities in Berau and Kutai Timur: impacts, driving forces and remedies", Forests and Governance Programme Governance Brief No. 26 (Bogor Barat, Indonesia, Centre for International Forestry Research, 2006); Marcus Colchester and others, "Justice in the forest: rural livelihoods and forest law enforcement" (Bogor Barat, Indonesia, Centre for International Forestry Research, 2006).

[9] Marieuw Chimère Diaw, with David Blomley and Guillaume Lescuyer, "Elusive meanings: decentralization, conservation and local democracy", keynote paper presented at the Durban workshop.

type in almost all sub-Saharan countries, tenure policies in many countries tend not to recognize indigenous tenure or are aimed at its replacement.

19. Decentralization and governance reforms have been both facilitated and complicated by the increased trade, investment and financial flows into the region. The dysfunction of public institutions in many countries was identified as one important stumbling block to governance reform,[10] although institutional innovations such as third-party certification and the use of independent observers can promote change. How local communities are affected and how they can engage with fiscal and governance reforms to their benefit emerged as major concerns. The issue of corruption at all levels was also identified as important and in need of critical action, especially at the highest levels.

20. The dearth of mechanisms to track progress and exchange lessons to inform action, as well as the absence of a framework to value and capitalize forest resources, have undermined progress towards decentralization and governance reforms in Africa. Inadequate technical competencies and a lack of funding and appropriate incentives have constrained effective reform implementation.

Oaxaca workshop

21. Throughout Latin America and the Caribbean, many REDD+-related projects and activities are under way, creating both opportunities and challenges for sustainable forest management and local livelihoods. Deforestation and forest degradation threaten the livelihoods of millions of people in the Latin America and Caribbean region that depend directly on forests. Both deforestation and forest degradation are a result of inappropriate or ineffective governance, but, while deforestation is largely driven by extrasectoral factors, forest degradation is driven primarily by factors within the forest sector. There was agreement among workshop participants that, although REDD+ was not a governance reform programme, it could, and would have to, contribute to improving governance. Otherwise, it would be undermined by governance failures that, despite some progress, remained widespread throughout the region.

22. Common governance weaknesses identified included the following: opaque and centralized decision-making; overburdened bureaucracy; misalignment of policies in agriculture, infrastructure and other spheres that affect forests; emphasis on timber management instead of on broader integrated forest management; insufficient funding and capacity; unclear legislation and the failure to implement laws; corruption and illegal logging; and lack of clarity and respect for local forest tenure rights and local forest knowledge. These weaknesses raised concerns about the rights of indigenous peoples, common property and communal tenure, and the lack of tenure rights for women. They also pointed to the importance of decentralization, specifically between central and local governments and decentralization to indigenous peoples, and the need for capacity-building and effective representation.

23. There was broad agreement that reducing deforestation and forest degradation depended on making forests and forest products economically competitive with other alternatives, although money alone was not enough. Policies that decrease

[10] Alain Karsenty, "The new economic 'great game' in Africa and the future of governance reforms of the forestry sector", keynote paper presented at the Durban workshop.

agricultural land rent and increase forest rent, and those that increase the price of products from well-managed forests or decrease transaction costs for forest use, can help increase the economic competitiveness of forests. To be effective, REDD+ will have to take account of the different actors and forces involved in deforestation in a range of circumstances and the related differentiated opportunity costs, institutions and means of implementation. Policy dialogues will also need to consider the mismatch between the short time frames built into existing REDD+ instruments and the long time period required for developing appropriate national and local processes and capacities.

24. In the Latin America and Caribbean region, the lack of affordable and accessible financing options for small-scale sustainable forest management has been a constraint. REDD+ could provide additional funding options for sustainable forest management, but would need to address a number of issues. These include the integration of REDD+ into broader livelihood strategies and building on existing structures with awareness of their weaknesses, the use of intersectoral and strategic rather than blueprint approaches and the promotion of innovation and knowledge-sharing, especially among the forestry and finance sectors and with communities.

25. Issues related to land tenure, carbon rights and indigenous territories are the most important challenges for REDD+ in the Latin America and Caribbean region. Thus far, countries in that region have insufficiently addressed tenure issues in their REDD readiness preparation proposals. There was general agreement that the legitimacy of REDD+ procedures depended on ensuring indigenous and community participation in designing REDD+ strategies, and clear and substantiated rights to carbon benefits. There was also recognition that internal community politics might affect benefit distribution within communities, and that "one-size-fits-all" schemes would not work.

III. Recurrent issues, lessons and recommendations

Recurrent issues and lessons

26. Adequate and honest consultation, transparent and accountable decision-making and the adoption of genuinely participatory approaches remain major gaps in decentralization and governance reforms across the globe. Central Governments appear to have persistent and pervasive difficulties in relinquishing authority and sharing finances, both important prerequisites for genuine decentralization.

27. Decentralization has generally meant devolving the costs and burdens of forest protection and management to local governments, communities and households, with little authority and uncertain benefits. There is also a tendency to undervalue and undercompensate the investments and contributions of communities and local peoples in forest management while giving preferential treatment to investments by external actors and corporations.

28. The provision of clear and secure tenure and rights to forest resources is important but insufficient for improving livelihoods. Even when rights are clear, lack of capacity, skills, funds, technology, market access and other requisite inputs can prevent rights holders from exercising their rights.

29. Existing class, caste, ethnic and gender hierarchies favour elite capture of benefits and decision-making power, impeding democratic decentralization and

forest governance reforms. Strengthening the capacities of local people, especially the poor and marginalized, to organize, develop and implement rules and sanction offenders can facilitate their empowerment and enhance their share of benefits.

30. Decentralization can end up decentralizing corruption by fragmenting centrally organized mechanisms for rent-seeking. Breaking the links between corrupt business interests and State decision makers is essential in the fight against corruption.

31. Capacity-building at different levels is a critical element of successful decentralization and governance reform. It entails empowerment at different levels through a wide variety of means, including civic education and access to information, strengthening mechanisms for collective communication and negotiation and reinforcing organizational structures for forest resource management. New capacities and alliances among the disempowered are critical for decentralization to deliver real changes, create genuine spaces for participation and accommodate voices from below.

32. Decentralization and governance reforms are best designed as iterative learning processes, which can be fine-tuned over time. This requires attitudinal change that will grant actors and stakeholders, especially at the lower levels where actions are taken, sufficient space for experimentation and allow for some failures as part of the learning process.

33. Genuine participatory approaches can provide the needed balance of power between citizens and Governments at various levels, fostering downward accountability and reducing corruption and elite capture. Participation of the citizenry, including local communities and indigenous peoples, in decentralized governance is especially needed in dealing with issues such as conservation and climate change, which require broad-based citizen action.

Recommendations

34. The reports on three of the four workshops organized as country-led initiatives in support of the United Nations Forum on Forests each included a number of recommendations for the Forum to consider and encourage countries to take specific action. Recommendations with particularly important implications for livelihoods and sustainable forest management are repeated below. The Forum may wish to highlight these recommendations and urge countries to take needed action:

- Promote the decentralization of forest management, taking into account the points of view of all relevant stakeholders, providing support for their empowerment, stimulating their participation in forest management decision-making processes at all levels and recognizing that in decentralization one size does not fit all;
- Formulate appropriate approaches to maintain protected areas while enabling traditional use by the indigenous/local people and forest dwellers;
- Promote the sustainable management of forests and enhanced benefits derived from them and judicious use of market tools such as transfer payments and voluntary partnership agreements;
- Further promote the valuation of forest environmental services and encourage fair compensation for these services, including through market mechanisms;

- Eliminate barriers and improve the access of local communities to markets, as well as to the revenue generated by the sustainable management of forests, including through better distribution of fiscal resources;
- Develop principles to guide institutional choice for equitable representation;
- Enhance the transparency of governmental policies and actions directed to forest law enforcement and pursue holistic anti-corruption efforts at all levels;
- Strengthen the human and institutional capacity of all stakeholders, particularly at the local level, using a range of methods for sharing knowledge, including the promotion of partnership among stakeholders and across sectors;
- Support strengthening the inclusion of local people, including indigenous peoples and women, in decision-making, benefit-sharing and preservation of their cultural and social values through sustainable forest management and in schemes, such as REDD+, where sustainable forest management is a robust and credible approach in maintaining and enhancing the economic, social and environmental values of forests for the benefit of present and future generations;
- Share and apply lessons learned from forest governance and broader land-use dynamics that drive deforestation and forest degradation, and develop adequate strategies to promote sharing of cost burdens and responsibilities among global, national, territorial and local actors;
- Strengthen the capacity of countries to meet market demands for forest products and forest services, including carbon, with better forest governance, for example, by identifying the linkages between REDD+ and forest law enforcement and governance/forest law enforcement, governance and trade;
- Support further dialogues on poverty alleviation, sustainable forest management and REDD+ based on some of the specific findings of the Oaxaca workshop in the search for solutions to emerging issues and concerns.